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THE LAST B-2s: A WOBBLY IRON TRIANGLE?

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INTRODUCTION

Two years ago, Congress and the Administration agreed to halt procurement of B-2 bombers after funding 20 aircraft. The Republican victory in the 1994 congressional elections that gave them control of the House of Representatives, and the "iron triangle" of mutual interests formed by the Air Force, Northrop-Grumman and its subcontractors, and members of the key House defense committees whose districts benefit from B-2 spending, however, have revived the issue of further B-2 procurement despite the opposition of the Clinton Administration.

Thesis: Iron triangles function most effectively in shaping policy when their workings are shielded from view, i.e., when accommodations can be reached on defense programs and spending levels at the subcommittee or committee level in the Congress. When programs have a large budgetary impact like the B-2, or when they affect fundamental, strategic decisions that shape defense or foreign policy, however, it is much more difficult for iron triangles to dominate policy. Such issues are likely to fully engage the President and be of wider interest in the Congress. Thus, it is unlikely that the triangle of interests that has formed around the B-2 can ultimately prevail over determined Presidential opposition to continuing the program. When the 20th B-2 rolls off the production line at Northrop, it will likely be the last.

DISCUSSION

Iron Triangles. Political scientists describe an "iron triangle" as a mutually beneficial political relationship that develops between specific agencies or organizations in the federal

bureaucracy, members of the congressional committees or subcommittees that have jurisdiction over the agency's programs and budget, and private interests that benefit from agency programs. In the case of the B-2, such a triangle or subgovernment has formed around elements of the Air Force, key members of the House National Security and Appropriations Committees, and the B-2's prime contractor Northrop Grumman.

Essence of B-2. Morton Halperin states that an organization's "essence" is "the view held by the dominant group in the organization of what the missions and capabilities should be." "Since its inception as a separate service in the early postwar period," Halperin argues, "the dominant view within the Air Force has been that its essence is the flying of combat airplanes designed for the delivery of nuclear weapons against targets in the Soviet Union." (1:28) Halperin's conclusion is that, in taking stands on policy, budgetary and strategy questions, the Air Force has sought to protect its role in the strategic delivery of weapons by air.

Not much appears to have changed since Halperin wrote Bureaucratic Politics and Foreign Policy over 20 years ago. The Air Force still loves aircraft that fly far, go fast, and incorporate state-of-the-art technology. Interestingly, in Lorna Jaffe's history of the development of the "base force" in 1989-92, she notes that, despite deep cuts in Air Force assets, Air Force Chief of Staff Larry Welch's only serious objection to the plan was his desire to see the bomber leg in the proposed strategic force structure enhanced and that, when this concern was addressed, Welch ceased his opposition to Colin Powell's concept.

Although the end of the Cold War has reduced the significance of the nuclear mission, the Air Force still considers strategic bombing vital to its essence. Now, however, conventional roles have become paramount in justifying the bomber's central role. The Air Force's 1992 "Bomber Roadmap," remains the official service position:

Over the next several decades U.S. national security will increasingly depend on conventional bombers to meet the demands of responding rapidly and decisively to security threats that may emerge in various regions of the world. No other resource in our security arsenal brings together the reach, flexibility and precise firepower inherent in the land-based bomber force we are developing. (2:1)

The Republican Shuffle. The second side of the B-2 iron triangle is formed by lawmakers who are linked by their significant interests in the system. Representatives often choose committee assignments on the basis of whether membership can be used to help their constituents and, consequently, also help ensure reelection. The defense committees in the House -- the National Security Committee (HNSC) and the Appropriations Committee (HAC) -- are prime assignments for representatives from districts with large defense contractors or military installations. Defense spending now constitutes by far the largest part of discretionary spending in the budget. As Pat Schroeder has stated, "If you want anything for your district, the only place there is any money at all is in the Armed Services bill." (cited in 4:416)

These tendencies in the makeup of the defense committees were reinforced by the Republican victory in the 1994 elections which led to a reshuffling of the House power structure. Not only did the election return the Republicans to power, but it placed key B-2 supporters in influential positions in the HNSC and the HAC. Out as chairman of the HNSC was Ron Dellums, a persistent critic of the

B-2. In as chairman was Floyd Spence of South Carolina, the quintessential Southern defense hawk. The Procurement Subcommittee, which would make initial decisions on B-2 funding in the Committee, was to be chaired by Duncan Hunter of California, another friend of the B-2. No state benefits more from B-2 spending, or has more major subcontractors, than California which is also home to Northrop Grumman. Joining Hunter on the majority side of the subcommittee was Buck McKeon. The B-2 is assembled in McKeon's suburban Los Angeles district. Also new to the majority side of the subcommittee was J.C. Watts a freshman congressman from Oklahoma. Watt's district includes Tinker AFB which was chosen in early 1995 as the depot maintenance facility for the B-2. The ranking minority member of the Procurement Subcommittee is Ike Skelton. Skelton's district includes Whiteman AFB which Skelton was instrumental in securing as the home base for the B-2. Also serving on the minority side of the HNSC is Jane Harman whose Los Angeles district includes a division of Hughes Electronics that is responsible for the B-2 radar.

B-2 interests are also well placed on the HAC. A key member of the National Security Subcommittee is Norm Dicks of Washington. The B-2 flies on wings made by the Boeing Corporation in Seattle. A key Republican on the subcommittee is Jerry Lewis who represents a district that houses many Northrop workers.

In all, three states -- California, Texas and Washington -- benefit disproportionately from B-2 contracts. All three states are well represented on the HNSC and the HAC. Thirteen of fifty-five HNSC members and fourteen of fifty-six HAC members currently hail from these states.

Feeding at the Trough. The final component of the iron triangle that has formed around the B-2 are defense contractors who are the beneficiaries of program dollars. The B-2 has meant \$40 billion to Northrop Grumman and its subcontractors since 1981. The reach of the B-2 is substantial. Since 1987, Northrop has contracted with almost 8,000 suppliers in 48 states and distributed over \$14 billion in subcontracts. (6) The B-2 production line, however, has slowed so much in recent years that over one-half of Northrop's supplier base has become inactive. Without additional funding this year, Northrop has claimed that restarting the production line and reactivating their suppliers would be prohibitively expensive.

Operating in the Light of Day. Iron triangles that form around defense programs operate most effectively out of the limelight. Members of the triangle are highly motivated to protect their domain from intrusion by outsiders whether it be the President, the Secretary of Defense, or other members of Congress.

The ease with which iron triangles can operate in isolation depends, in large part, on the types of programs and policies involved. In defense matters, decisions on big ticket weapons systems like the B-2, or policies and programs that have a significant impact on the basic mix and missions of military forces -- so-called "strategic" policy decisions that set the basic direction of defense or foreign policy -- are likely to draw the strong interest of the President, the Secretary of Defense, and members of Congress.

The visibility of the B-2 issue has also been increased by shrinking defense budgets and the growing pressures to eliminate the

federal deficit. For example, one of the major developments complicating the efforts of B-2 advocates to continue production has been the emergence of a large bloc of "deficit hawks" in the Republican freshman class led by John Kasich of Ohio, Chairman of the House Budget Committee.

Triangular Strategies. Despite the disadvantages that iron triangles operate under in trying to force their strategic priorities on an engaged President and Congress, they are not without assets that can be employed to improve their odds.

Lobbying. One of the major advantages the support of interest groups has for an executive agency is that such groups can perform functions that the agency cannot perform for itself. Interest groups can directly lobby members of Congress and advocate positions the agency might secretly hold but cannot publicly advocate because they conflict with the position of the Administration.

Northrop has spent more than a million dollars this year on an advertising campaign for the B-2 that drew on polling and the use of focus groups. Added to that was a flow of campaign contributions to key lawmakers that totaled \$168 thousand in the first six months of this year. Of those funds, all but \$7,400 went to members who voted to support the B-2 during a June vote on the House floor. (15) In addition, Northrop arranged for an office-to-office touring delegation of retired generals, headed by General Charles Horner who led the Desert Storm air campaign, to lobby for the bomber and a letter of support from seven former secretaries of defense -- "the seven wonders of the world" as Representative Kasich sarcastically described them. (7:1)

witnesses can circumvent this constraint in their oral summations of formal statements submitted to congressional committees. In April, Air Force General John H. Loh, the Commander of the Air Combat Command and the principal Air Force witness on bomber issues this year, testified before the HNSC Subcommittee on Procurement. In his written prepared statement Loh made the following statement: "To provide sufficient bombers for our nuclear mission and to meet our conventional requirements, our analysis shows we need about 180 bombers." (13) In orally summarizing his statement for the Subcommittee, however, Loh's statement came out somewhat different: "...we need about 180 bombers for combat and training alone." (13) With 20 B-2s, the U.S. heavy bomber inventory totals 181 aircraft. Since "combat and training" numbers would exclude bombers in depot maintenance or platforms being used for testing, Loh's oral remarks could easily be construed as supporting the need to buy additional heavy bombers.

More often, congressional members of the triangle are ready to help agency witnesses build the proper record. One way of doing this is by asking witnesses for their personal and professional opinions. Under such questioning, military service members testifying before the Congress have generally been allowed to state their own opinions, even if they differ from the Administration line. Such an exchange took place between Representatives Dicks and Hunter and General Loh at the April 6 hearing:

Dicks: In your personal and professional judgment, would the United States Air Force and the security of the country be better off if we had 20 additional B-2 bombers?

Loh: I think I answered that question.

Dicks: I would like you to answer it again.

Loh: The decision to go to 20 (Note: the decision to limit

production to the original 20 aircraft) was not made on the basis of what is the right number. It was made on the basis of what is the minimum required to provide an operational capability. So we don't know what the right number is. We know what the minimum number is. The minimum number is 20.

Hunter: Let me rephrase the question. One thing General Loh, you have given us some great expertise and you have a couple of hats. One is your hat, your official hat in terms of defending the budget, which is your job, and that is necessary. The other is your personal expertise as a person who has an understanding of the world situation, an understanding of force structure and the service you represent. In your opinion, is the bomber number that is projected too low?

Loh: Well, as I had said in my statement, sir, I believe the number we are funding is short of the number that we need. And, as a consequence, we for the long-term, in my professional opinion, don't have enough...

Dicks: That is the answer I expected and I am very pleased with that answer. It is a good answer, a quality answer.

Making It a Party Leadership Issue. Another tool wielded by B-2 supporters in the House this year was the Republican party leadership's decision to take a formal position in support of the B-2. Despite Newt Gingrich's initial ambivalence, such an outcome was not unexpected given the leadership line-up. Majority Leader Dick Armey and Majority Whip Tom Delay both are from Texas, home of a major division of Northrop that builds the B-2's titanium airframe and other subcontractors with more than \$2.5 billion in B-2 business. Republican Conference Chairman John Boehner of Ohio is another B-2 supporter. His district is next door to Wright Patterson AFB, headquarters for the B-2 program office.

With the leadership behind it, amendments seeking to delete funding for the B-2 in the defense authorization and appropriation bills were narrowly defeated on the House floor. Forty-one of the seventy-one Republican freshman who are loyal Gingrich followers voted to support the B-2 despite their balanced budget proclivities.

Buying In. Another contractor strategy is to look good by

coming in with unrealistically low bids. The military services generally have incentives to play along with this "buying in" strategy and accept overly optimistic cost estimates. They want to fund as many programs as possible, even though many receive less than optimal resources. Northrop began its lobbying effort in late 1994 by proposing to build a second 20 B-2s for a guaranteed \$11.4 billion. The Air Force's estimate for 20 more bombers was only slightly higher at \$12.6 billion. Both prices, however, differed sharply from the Congressional Budget Office's estimate of \$26 billion and the DOD estimate of \$20 billion.

Congressional allies also play a variant of the budget shell game by partially funding programs, while trying to obscure their full cost, to build up vested interests and momentum in a program that is difficult to reverse later in the procurement process. The money contained in the Defense Appropriations Bill for FY'96 -- \$493 million -- won't buy a single additional bomber. Rather, it represents the costs of advanced procurement for only 2 additional B-2s. The true costs of the first additional B-2s will not be felt until FY'97 when a first installment of \$2-3 billion comes due to continue the program. Next year members of Congress may be faced with the more difficult decision of continuing funding or cancelling the program and admitting to having wasted almost half a billion dollars in FY'96 funds.

A Missed Opportunity. As noted earlier, Presidents generally have a greater interest in, and influence on, "strategic" policies and programs that set the basic direction of our foreign policy and defense strategy. When members of Congress try to put their own

strategic preferences into law, the President's power to veto legislation can frustrate the efforts of triangle members who may wield disproportionate power in their committees but find it more difficult to shape the preferences of a Congress that is highly decentralized and suffers from partisan, ideological and regional fractures.

In late November, President Clinton appeared to be well positioned to veto the FY'96 Defense Appropriations Bill and have that veto sustained in the Congress. As the price for signing the bill, Clinton could have required a number of changes, including the deletion of additional B-2 funding. In June and September, the House had narrowly defeated amendments to the defense authorization and appropriations bills seeking to strike B-2 funds. In addition, the original Senate versions of the bills did not contain funding for additional B-2s. Thus, support for the B-2 in the Congress appeared shaky at best. However, Administration concern that a veto would imperil funding for Bosnia peacekeeping ultimately led the President to sign the defense appropriations bill with B-2 funding and other procurement programs that added \$7 billion to his original budget request.

CONCLUSION

The power struggle between President Clinton and the B-2 iron triangle remains unresolved for now. At present, President Clinton's best option appears to be to veto the FY'96 defense authorization bill, currently awaiting final House and Senate approval, and, *inter alia*, seek to negotiate the elimination of

language authorizing additional B-2 procurement. If the authorization for additional B-2s is withdrawn, Clinton would be in a strong position to propose the reprogramming of a portion of the \$7 billion in "excess" funds in the appropriations bill, including those earmarked for additional B-2s, to pay for Bosnian-related peacekeeping costs. However, any reprogramming action would have to be approved by both the HNSC and the HAC -- the heart of B-2 support in the Congress. These committees could approve the reprogramming of funds for Bosnia but draw the money from other DOD accounts.

In the longer term, the procurement costs alone for an additional 20 B-2 bombers would more than absorb the entire \$18 billion difference between the Clinton and Republican defense budgets over FY1996-2002, even assuming that the Republican defense budget prevails in the ongoing negotiations over eliminating the deficit in seven years. Thus, it is likely that even if the B-2 survives this year, the Pentagon and the Congress will ultimately have to choose between additional B-2s or other planned procurement programs. The Air Force would like more B-2s, but as a "national" program, not at the cost of sacrificing their other priorities such as the F-22. Alternatively, more B-2s could be bought at the expense of other services' priorities. The HAC has already started this debate by requesting a report from DOD by next spring comparing the capabilities of the B-2 and an aircraft carrier battle group in strategic strike missions. But that potential interservice fight, which could pit competing iron triangles against one another, would be another chapter in the story of bureaucratic politics in Washington.

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